

CITY OF FRANKLIN

DEBT SERVICE FUND

The Debt Service Fund of the City is used to account for the payment of debt service on all general obligation debt with the exception of debt issued for water utility enterprise fund purposes which is paid by the utility. Payments on general obligation debt issued for general government purposes are funded by the following sources:

- Property tax levy for general City projects (for example, City facilities, such as the Police Facility or the Library Facility, or non-assessable projects)
Special assessment collections, for public improvement projects financed with general obligation debt where the property owner is assessed the pro-rata share of the project cost in accordance with City policy and ordinance and state statutes.
- Impact fees collected for the purpose of paying toward new facilities after those new facilities have been completed.
- An increasing portion each year of landfill siting revenue is received in this fund and used to lower the annual debt payments. The estimated reduction in debt service payments during the years 2003 thru 2011 is \$3,100,000.

Over the last decade, the City's outstanding general obligation debt level has fluctuated from a low of \$13,715,000 at December 31, 1991 to a high of \$33,510,000 at December 31, 2001. Historically the city has planned to issue debt every other year. The last issuance of debt in 2001 in the amount of \$10,000,000 was to fund the construction cost of a new library facility, a new fire station and several city funded public improvement projects. Again no general obligation debt will be issued during the 2005 year. The City used internal borrowing to meet the Capital Improvement Fund needs in 2003. In 2004 the Utility Improvement Fund provided the source of necessary funding. In 2005 available funds in the Capital Improvement Fund will be used to fund approved projects. If borrowing becomes necessary the City will look first to internal borrowing to meet its borrowing needs. By doing so the City avoids bond issuance costs and the lending fund receives more interest than it could generate in today's investment climate.

Future debt issuance's will undoubtedly be necessary to pay for public improvement projects as growth occurs in the community. They will add to the City's debt load; however, any new debt for projects presently contemplated for public improvement projects will be offset by the repayment of debt currently outstanding.

The City has budgeted to repay early the balance (\$550,000) of the 1996 GO debt offering in 2005 the first year that an early payment can be made on this issue

As shown on the accompanying schedule of debt maturities, the City has general obligation debt outstanding at December 31, 2004 of \$24,800,000. This represents about 21% of the City's legal debt limit per Wisconsin Statutes (5% of equalized property value). With the growth of the City in the past decade, the ratio of general obligation debt to assessed value has ranged from 1.95% in 1992 to .91% in 1998. The general obligation debt to assessed value at December 31, 2004 is 1.02%.

In addition to the general obligation debt, the Community Development Authority of the City of Franklin has also issued redevelopment lease revenue bonds. These bonds are not general obligations of the City, but are secured by a lease on the City's Business Park. The primary source of repayment for the lease revenue bonds is property tax increment generated by the City's Tax Incremental Financing District No. 2, which comprises the Business Park.

CITY OF FRANKLIN 2004 BUDGET		2002 Actual	2003 Actual	2004 Adopted	2004 Amended	2004 Estimate	2005 Forecast	2005 Dept/Request	2005 Request	2005 Adopted	Percent Change
DEBT SERVICE FUND											
REVENUE											
GENERAL PROPERTY TAX	31.0000.4011	\$2,810,109	\$2,610,624	\$2,410,211	\$2,410,211	\$2,410,211	\$2,310,000	\$2,310,000	\$2,310,000	\$2,310,000	
MISCELLANEOUS INCOME	31.0000.4799		100,000	0	0	0	0	0	0	0	
LANDFILL OPERATIONS-DIRECT	31.0000.4492	0	126,649	247,500	247,500	247,500	378,600	378,600	378,600	378,600	
LANDFILL OPERATIONS-SEPARATE	31.0000.4493	0	8,253	18,300	18,300	18,300	28,100	28,100	28,100	28,100	
LANDFILL OPERATIONS-FLAT	31.0000.4494	0	27,288	55,600	55,600	55,600	85,100	85,100	85,100	85,100	
LANDFILL OPERATIONS-TIPPAGE	31.0000.4495	0	39,658	103,100	103,100	103,100	157,500	157,500	157,500	157,500	
TRANSFER FROM IMPACT FEES	31.0000.4839	374,195	359,345	430,500	337,199	337,199	430,500	430,500	327,100	327,100	
TRANSFER FROM SPECIAL ASSESSME	31.0000.4835	384,992	980,000	1,875,242	1,970,609	1,970,609	0	0	0	0	
DEBT SERVICE FUND REVENUE		\$3,569,296	\$4,251,817	\$5,140,453	\$5,142,519	\$5,142,519	\$3,389,800	\$3,389,800	\$3,286,400	\$3,286,400	-36.1%
REFUNDED DEBT PROCEEDS	31.0000.4911	0	0	0	0	0					
TOTAL REVENUE AND OTHER FUNDING SOURCES		\$3,569,296	\$4,251,817	\$5,140,453	\$5,142,519	\$5,142,519	\$3,389,800	\$3,389,800	\$3,286,400	\$3,286,400	
EXPENDITURES:											
G.O. 5040-94											
PRINCIPAL	31.0000.8185.5611	250,000	0	0	0	0	0	0	0	0	
INTEREST	31.0000.8185.5621	5,531	0	0	0	0	0	0	0	0	
TOTAL 1994 BORROWING		255,531	0	0	0	0	0	0	0	0	
G.O. 2600-95											
PRINCIPAL	31.0000.8186.5611	150,000	510,000	0	0	0	0	0			
INTEREST	31.0000.8186.5621	32,118	14,034	0	0	0	0	0			
TOTAL 1995 BORROWING		182,118	524,034	0	0	0	0	0	0	0	
G.O. 3250-96											
PRINCIPAL	31.0000.8187.5611	300,000	300,000	300,000	300,000	300,000	850,000	850,000	850,000	850,000	
INTEREST	31.0000.8187.5621	85,800	71,700	57,300	57,300	57,300	42,600	42,600	42,600	42,600	
TOTAL 1996 REFUNDING		385,800	371,700	357,300	357,300	357,300	892,600	892,600	892,600	892,600	149.8%
G.O. 5475-96											
PRINCIPAL	31.0000.8188.5611	425,000	850,000	2,600,000	2,600,000	2,600,000	0	0	0	0	
INTEREST	31.0000.8188.5621	189,488	169,512	128,713	128,713	128,713	0	0	0	0	
TOTAL 1996 BORROWING		614,488	1,019,512	2,728,713	2,728,713	2,728,713	0	0	0	0	-100.0%
G.O. 7850-99											
PRINCIPAL	31.0000.8189.5611	600,000	625,000	700,000	700,000	700,000	725,000	725,000	725,000	725,000	
INTEREST	31.0000.8189.5621	276,362	252,775	226,588	226,588	226,588	197,725	197,725	197,725	197,725	
TOTAL 1999 BORROWING		876,362	877,775	926,588	926,588	926,588	922,725	922,725	922,725	922,725	-0.4%
B. A. N. 10000-00											
INTEREST	31.0000.8015.5621	0		37,500	0	0	0	0	0	0	
G.O. 10000-01											
PRINCIPAL	31.0000.8021.5611	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
INTEREST	31.0000.8021.5621	488,998	487,385	485,235	485,235	485,235	483,085	483,085	483,085	483,085	
TOTAL 2001 REFUNDING		513,998	537,385	535,235	535,235	535,235	533,085	533,085	533,085	533,085	
G.O. 10000-01											
PRINCIPAL	31.0000.8025.5611	300,000	325,000	350,000	350,000	350,000	275,000	275,000	275,000	275,000	
INTEREST	31.0000.8025.5621	441,000	427,719	413,375	413,375	413,375	400,094	400,094	400,094	400,094	
TOTAL 2001 BORROWING		741,000	752,719	763,375	763,375	763,375	675,094	675,094	675,094	675,094	
DEBT SERVICE PRINCIPAL		2,050,000	2,660,000	4,000,000	4,000,000	4,000,000	1,900,000	1,900,000	1,900,000	1,900,000	
DEBT SERVICE INTEREST		1,519,296	1,423,125	1,348,711	1,311,211	1,311,211	1,123,504	1,123,504	1,123,504	1,123,504	
DEBT SERVICE PRINCIPAL & INTEREST		3,569,296	4,083,125	5,348,711	5,311,211	5,311,211	3,023,504	3,023,504	3,023,504	3,023,504	-43.5%
UNCLASSIFIED EXPENSES											
BOND ISSUE COSTS	31.998.0000.5601	0	0	0	0	0	0	0	0	0	
PRINCIPAL PAID IN REFUNDING	31.998.0000.5611	0	0	0	0	0	0	0	0	0	
TOTAL OTHER COSTS		0	0	0	0	0	0	0	0	0	
TOTAL DEBT SERVICE FUND		3,569,296	4,083,125	5,348,711	5,311,211	5,311,211	3,023,504	3,023,504	3,023,504	3,023,504	-43.5%
EXCESS OF REVENUE OVER EXPENDITURES		0	168,692	-208,258	-168,692	-168,692	366,296	366,296	262,896	262,896	
FUND BALANCE, BEGINNING OF PERIOD		0	0	168,692	168,692	168,692	0	0	0	0	
FUND BALANCE, END OF PERIOD		0	168,692	-39,566	0	0	366,296	366,296	262,896	262,896	

City of Franklin
General Obligation Debt Maturities

Pays off the 1996 refunding debt issue in 2005 and issues additional debt of \$1,500,000 in 2006, 2008, 2010, 2012 and 2014

Borrowing Date	Purpose of borrowing, amount, interest rate	Payment Dates	Balance 12/31/2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
09/01/96	Advance refunding												
	PRINCIPAL \$3,250,000	9/1	\$850,000	850,000									
	INTEREST 4.0 - 5.1%	3/1, 9/1		42,600									
05/01/99	Capital improvements												
	PRINCIPAL \$7,850,000	5/1	\$5,050,000	725,000	950,000	1,125,000	1,125,000	1,125,000					
	INTEREST 3.5 - 4.3%	5/1, 11/1		197,725	163,150	119,813	72,281	24,188					
04/15/01	Current refunding												
	PRINCIPAL \$10,000,000	3/1	\$9,875,000	50,000	50,000	50,000	50,000	50,000	50,000	105,000	400,000	420,000	680,000
	INTEREST 4.3 - 5.4%	3/1, 9/1		483,085	480,935	478,785	476,635	474,485	472,285	468,798			
05/15/01	Capital improvements												
	PRINCIPAL \$10,000,000	3/1	\$9,025,000	275,000	300,000	1,125,000	1,450,000	1,475,000	2,175,000	2,225,000			
	INTEREST 4.25 - 4.6%	3/1, 9/1		400,094	387,800	356,600	299,225	233,413	151,288	51,175			
2006	PRINCIPAL	3/1				50,000	50,000	50,000	50,000	100,000	250,000	300,000	250,000
	INTEREST	3/1, 9/1			37,500	73,750	71,950	70,125	68,225	65,000	60,350	53,000	43,100
2008	PRINCIPAL	3/1						50,000	50,000	50,000	250,000	250,000	150,000
	INTEREST	3/1, 9/1					37,500	73,750	71,950	70,125	68,225	65,000	60,350
2010	PRINCIPAL	3/1								50,000	250,000	150,000	150,000
	INTEREST	3/1, 9/1							37,500	73,750	71,950	70,125	68,225
2012	PRINCIPAL	3/1										150,000	150,000
	INTEREST	3/1, 9/1									37,500	73,750	71,950
2014	PRINCIPAL	3/1											
	INTEREST	3/1, 9/1											37,500
	PRINCIPAL TOTAL			1,900,000	1,300,000	2,350,000	2,675,000	2,750,000	2,325,000	2,530,000	1,150,000	1,270,000	1,380,000
	INTEREST TOTAL			1,123,504	1,069,385	1,028,948	957,591	875,960	801,248	728,848	238,025	261,875	281,125
Population		Per Capita											
31,804	DEBT SERVICE TOTALS	780	\$24,800,000	\$3,023,504	\$2,369,385	\$3,378,948	\$3,632,591	\$3,625,960	\$3,126,248	\$3,258,848	\$1,388,025	\$1,531,875	\$1,661,125
	Less:												
	Transfer from Impact Fees - Police		(4,031,000)	(243,000)	(243,000)	(243,000)	(243,000)	(243,000)	(243,000)	(243,000)	(143,000)	(243,000)	(243,000)
	Transfer from Impact Fees - Fire		(807,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)
	Transfer from Impact Fees - Library		(2,380,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
	Land Fill Siting Revenue		(2,524,300)	(649,300)	(875,000)	(1,000,000)	-	-	-	-	-	-	-
	Add to (Use of) Fund Balance		(258,704)	366,296	1,146,115	161,552	(732,667)	(400,000)	(400,000)	(400,000)			
	Estimated special assessments		(3,450,000)	0	0	0	(459,424)	(885,460)	(485,748)	(718,348)			
	NET TAX LEVY IMPACT	73		\$2,310,000	\$2,210,000	\$2,110,000	\$2,010,000	\$1,910,000	\$1,810,000	\$1,710,000	\$1,057,525	\$1,101,375	\$1,230,625